



0000103112



Phone (520) 637-2774

NEW APPLICATION

Ash Fork Water Service

518 Lewis Ave.
P.O. Box 436 Ash Fork, AZ 86320

RECEIVED

Fax (520) 637-0394

2003 JUL 24 P 1:09

Ash Fork Development Association, Inc.

Dba: Ash Fork Water Service

P.O. box 436

Ash Fork, AZ 86320

AZ CORP COMMISSION
DOCUMENT CONTROLArizona Corporation Commission
DOCKETED

JUL 24 2003

Docket Control

Arizona Corporation Commission

1200 W. Washington St.

Phoenix, AZ 85007

W-01004B-03-0510

DOCKETED BY

CAR

Attached is application for extension of Certificate of Convenience and Necessity for Ash Fork Development Association, Inc. DBA: Ash Fork Water Service.

The purpose of this application is to extend our certified water service area to include:

- Parcels of land located along our existing water transmission line that are currently being provided water service.
- New well parcel and parcels of land located along the water transmission line path. Construction phase is ready to begin.
- Commercial area immediately adjacent our existing CC&N area that was served some years back by a mainline extension.

Lewis Hume, Manager
Ash Fork Water Service

This is To Comply with Compliance Notice issued
 With Decision # 6585Z 4/25/03
 Docket # W-01004B-02-0768

ARIZONA CORPORATION COMMISSION

APPLICATION FOR AN EXTENSION OF CERTIFICATE OF CONVENIENCE AND NECESSITY

WATER AND/OR SEWER

A. The name, address and telephone number of the Applicant is:

Ash Fork Development Association, Inc. dba Ash Fork Water Service
P.O. 293

Ash Fork, AZ 86320-0293 (928)637-2774

B. The name, address and telephone number of management contact is:

Lewis Hume

P.O. Box 436 Ash Fork, AZ 86320-0436

(928)637-2774

C. List the name, address and telephone number of the operator certified by the Arizona Department
of Environmental Quality:

Lewis Hume

P.O. Box 436 Ash Fork, AZ 86320-0436

(928)637-2774

D. List the name, address and telephone number of the attorney for the Applicant:

Clint A. Brown Brown Law Firm

141 South McCormick, Suite 211 Prescott AZ 86303

(928)445-6827 FAX (928) 445-6828

E. Attach the following documents that apply to you:

1. Certificate of Good Standing (if corporation)

2. Corporate Resolution Authorizing this application (if required by the corporation's Articles of Incorporation)

F. Attach a legal description of the area requested by either **CADASTRAL** (quarter section description) or **Metes and Bounds** survey. References to parcels and docket numbers will not be accepted.

G. Attach a detailed map using the form provided as attachment B. Shade and outline the area requested. Also indicate the present certificated area by using different colors.

H. Attach a current balance sheet and profit and loss statement.

I. Provide the following information:

1. Indicate the estimated number of customers, by class, to be served in the new area in each of the next five years:

Residential:

First Year 2 Second Year 2 Third Year 1 Fourth Year 1
Fifth Year 1

Commercial:

First Year 0 Second Year 0 Third Year 1 Fourth Year 0
Fifth Year 0

Industrial:

First Year 0 Second Year 0 Third Year 0 Fourth Year 0
Fifth Year 0

Irrigation:

First Year 0 Second Year 0 Third Year 0 Fourth Year 0
Fifth Year 0

STATE OF ARIZONA



Office of the CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Secretary of the Arizona Corporation Commission, do hereby certify that

*****ASH FORK DEVELOPMENT ASSOCIATION, INC.*****

a domestic nonprofit corporation organized under the laws of the state of Arizona, did incorporate on June 7, 1967.


I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Nonprofit Corporation Act; that its most recent Annual Report, subject to the provisions of A.R.S. 10-3122, 10-3123, 10-3125, & 10-11622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed Articles of Dissolution as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capitol, this 12th Day of April, 2002, A. D.




EXECUTIVE SECRETARY

BY: 

Other: (specify)

N/A

First Year N/A Second Year N/A Third Year N/A Fourth Year N/A
Fifth Year N/A

2. (**WATER ONLY**) Indicate the projected annual water consumption, in gallons, for each of the customer classes in the new area for each of the next five years:

Residential:

First Year 144,000 Second Year 144,000 Third Year 72,000
Fourth Year 72,000 Fifth Year 72,000

Commercial:

First Year 0 Second Year 0 Third Year 250,000
Fourth Year 0 Fifth Year 0

Industrial:

First Year 0 Second Year 0 Third Year 0
Fourth Year 0 Fifth Year 0

Irrigation:

First Year 0 Second Year 0 Third Year 0
Fourth Year 0 Fifth Year 0

3. Indicate the total estimated annual operating revenue from the new area for each of the next five years:

First Year 720.- Second Year 720.- Third Year 1920.⁰⁰
Fourth Year 360.- Fifth Year 360.-

- Complete Attachment "D" (Water Use Data Sheet) for the past 13 months

ATTACHMENT "B"

YAVAPAI	3, 9, 10, 15	21N	2W
COUNTY	SECTION	TOWNSHIP	RANGE

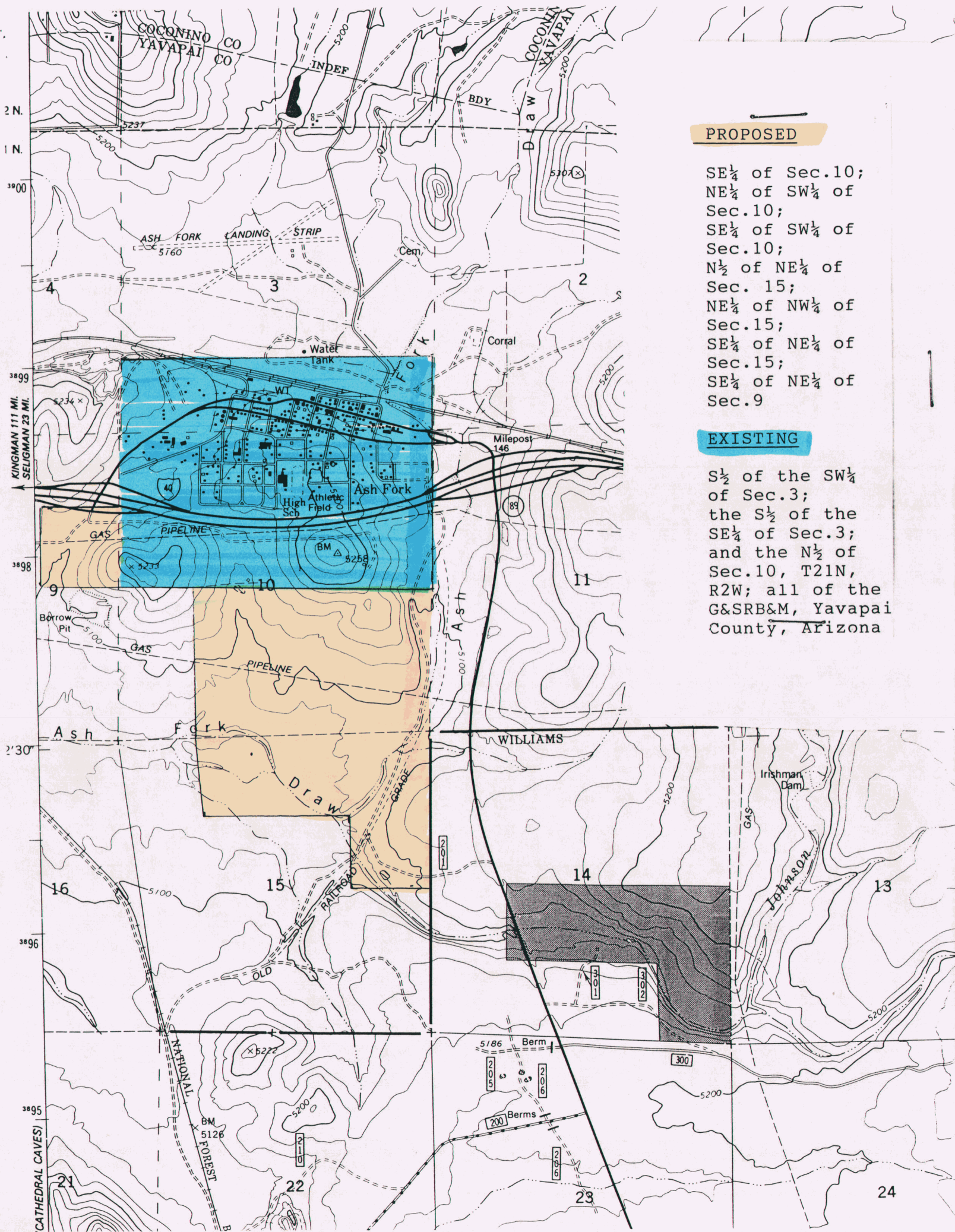
6	5	4	3	2	1
7	8	9	1 0	1 1	1 2
1 8	1 7	1 6	1 5	1 4	1 3
1 9	2 0	2 1	2 2	2 3	2 4
3 0	2 9	2 8	2 7	2 6	2 5
3 1	3 2	3 3	3 4	3 5	3 6

EXISTING

PROPOSED

Type or Print Description Here:SE $\frac{1}{4}$ of Sec.10; NE $\frac{1}{4}$ of SW $\frac{1}{4}$ of Sec.10; SE $\frac{1}{4}$ of SW $\frac{1}{4}$ of Sec.10N $\frac{1}{2}$ of NE $\frac{1}{4}$ of Sec.15; NE $\frac{1}{4}$ of NW $\frac{1}{4}$ of Sec.15; SE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Sec. 15SE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Sec.9

Existing: S $\frac{1}{2}$ of the SW $\frac{1}{4}$ of Sec.3; the S $\frac{1}{2}$ of the SE $\frac{1}{4}$ of Sec.3;
and the N $\frac{1}{2}$ of Sec.10, T21N, R2W; all of the G&SRB&M,
Yavapai County, Arizona



PROPOSED

SE $\frac{1}{4}$ of Sec.10;
 NE $\frac{1}{4}$ of SW $\frac{1}{4}$ of
 Sec.10;
 SE $\frac{1}{4}$ of SW $\frac{1}{4}$ of
 Sec.10;
 N $\frac{1}{2}$ of NE $\frac{1}{4}$ of
 Sec. 15;
 NE $\frac{1}{4}$ of NW $\frac{1}{4}$ of
 Sec.15;
 SE $\frac{1}{4}$ of NE $\frac{1}{4}$ of
 Sec.15;
 SE $\frac{1}{4}$ of NE $\frac{1}{4}$ of
 Sec.9

EXISTING

S $\frac{1}{2}$ of the SW $\frac{1}{4}$
 of Sec.3;
 the S $\frac{1}{2}$ of the
 SE $\frac{1}{4}$ of Sec.3;
 and the N $\frac{1}{2}$ of
 Sec.10, T21N,
 R2W; all of the
 G&SRB&M, Yavapai
 County, Arizona

ATTACHMENT "D"

WATER USE DATA SHEET

NAME OF COMPANY _____	ASH FORK WATER SERVICE
ADEQ Public Water System No. _____	13-008

MONTH/YEAR (Last 13 Months)	<u>NUMBER OF CUSTOMERS</u>	GALLONS SOLD (Thousands)	
JUNE	490	4699	
MAY	480	3399	
APRIL	475	3297	
MARCH	474	2472	
FEBRUARY	473	2460	
JANUARY	475	2791	
DECEMBER	477	2525	
NOVEMBER	482	2210	
OCTOBER	479	3644	
SEPTEMBER	478	3061	
AUGUST	473	4089	
JULY	469	4908	
JUNE	464	3870	

STORAGE TANK CAPACITY (Gallons)	NUMBER OF EACH	ARIZONA DEPT. OF WATER RESOURCES WELL I.D. NUMBER	WELL PRODUCTION (Gallons per Minute)
500,000	2	55-604-624	150
		55-590-950	Not in production as of yet
			150 GPM pump to be set

Other Water Sources in Gallons per Minute →	<u>GPM</u> N/A
Fire Hydrants on System →	Yes (No)
Total Water Pumped Last 13 Months (Gallons in Thousands) →	46,222

4. Indicate the total estimated annual operating expenses attributable to the new area for each of the next five years:

First Year 10,000. Second Year 12,000. Third Year 14,000.

Fourth Year 15,000. Fifth Year 15,000.

J. Total estimated cost to construct utility facilities to serve customers in the requested area:

Serving Customers IN this Area is just a by-product of these system improvements
Total Cost of project \$ 950,000. -

K. Explain method of financing utility facilities (see paragraph 8 of instructions)

USDA Rural Development loan & Grant, Company also contributed Funds

Financing application approved by Decision # 65852 Docket # W-01004B-02-
0768

L. Estimated starting and completion date of construction of utility facilities:

Starting date 8/02 Completion date 2/04

M. Attach the following permits:

1. Franchise from either the City or County for the area requested. To be Filed by 8/29/03
See Attached

2. Arizona Department of Environmental Quality or designee's approval to construct facilities.

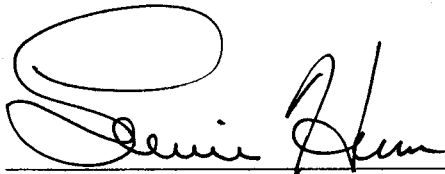
3. Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.) N/A

4. U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed.) N/A

5. (WATER ONLY) If the area requested is within an Active Management Area, attach a copy of, either the utility's Designation of an Assured Water Supply, or the developer's Certificate of 100 Year Assured Water Supply issued by the Arizona Department of Water Resources.

- If the area requested is outside an Active Management Area, attach the developer's Adequacy Statement issued by the Arizona Department of Water Resources if applied for by the developer.

- If the area requested is outside an Active Management Area and the developer does not obtain an Adequacy Statement, provide sufficient detailed information to prove that adequate water exists to provide water to the area requested.



(Signature of Authorized Representative)

LEWIS HUME

(Print or Type Name Here)

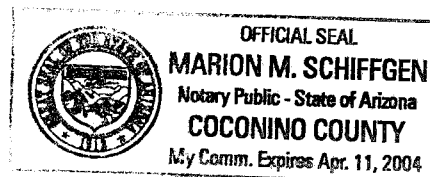
MANAGER

(Title)

SUBSCRIBED AND SWORN to before me this 22nd day of July, 2003


NOTARY PUBLIC

My Commission Expires April 11, 2004

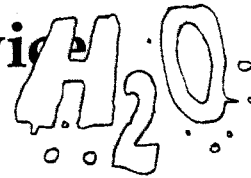




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Ash Fork Water Service

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Ash Fork, AZ 86320

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

Attachment to Application for an Extension of Certificate of Convenience and Necessity.

M. Franchise from either City or County for the area requested.

This item will be filed at a later date. August 29, 2003.

I am currently working with Yavapai County Public Works Department
Ms. Laura Bumm, Administrative Aide @ 928-771-3183

Lewis Hume, Manager
Ash Fork Water Service



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Certificate of Approval to Construct a Water Distribution System

Applicant Information:		Place ID	17936	ADEQ CF #	20030007	LTF #	28860
Name	Ash Fork Water Service			Project Name	Ash Fork Water Service Improvements		
Mail Address 1	Lewis Hume, Manager			County	Yavapai		
Mail Address 2	PO Box 436						
City/State/Zip	Ash Fork AZ 86320						
Project Type(s)				Project Description			
<input checked="" type="checkbox"/>	Pressure Main	<input type="checkbox"/>	Storage Tank	new well infrastructure, 8800' 6" PVC, 750' 8" PVC, 450' 4" PVC, 3 hydrants, reconnect 22 residential services, and gas Chlorine disinfection system			
<input type="checkbox"/>	Hydro Tank	<input checked="" type="checkbox"/>	Other				
Facility Name Street Address 1 Street Address 2 City/State/Zip		Ash Fork Water Service					
System Capacity Affirmation (Agent, Date)				NA			
PWS ID #		13008		Site Information			
Design Documents Approved		Date		Nearest Town		Ash Fork	
Application		1/2/03		Location of Distribution System			
Site Plan		4/10/03		Township	21N	Range	2W
Design Plan		12/19/02		Section	3,10	Quarter Section	
Operations & Maintenance Plan		12/19/02		Latitude	35° 13' 23"		North
Response Letter				Longitude	112° 28' 41"		West
Other							

Approval to Construct (ATC) the above-described facilities as represented in the approved plans documents on file the with the Arizona Department of Environmental Quality, is hereby given subject to the following provisions.

The General Provisions and Special Provisions for the Water Distribution System appear on Pages 2 of 2

KH1/th2

CERTIFICATE DISTRIBUTION

Original Certificate:

Applicant

Certificate Copy Only:

ADEQ/NRO Reading File
ADEQ/NRO Construction File
County P&Z
Nate Mechum
Sunrise Engineering
1930 S Alma School Rd Suite A114
Mesa, AZ 85210

Stephen A. Owens, Director
Arizona Department of Environmental Quality

By:

 4-14-03
Kurt J. Harris, P.E., Manager
Water Quality Design Review Unit
Northern Regional Office

Date Approved

General Provisions

1. A public water system shall be designed using good engineering practices. A public water system which is designed in a manner consistent with the criteria contained in Engineering Bulletin No. 10, "Guidelines for the Construction of Water Systems,"
2. This Approval to Construct becomes void if an extension of time is not granted by the Department within 90 days after passage of one of the following [R18-4-505(E)]:
 - A. Construction does not begin within one year after the date the Approval to Construct is issued, or
 - B. There is a halt in construction of more than one year, or
 - C. Construction is not completed within three years after the date construction begins.
3. All construction shall conform to approved plans and specifications. Should it be necessary or desirable to make a change in the approved design which will affect water quality, capacity, flow, sanitary features, or performance, the revised plans and specifications, together with a written statement of the reasons for such a change, shall be submitted to the Department for review, and approval shall be obtained in writing before the construction affected by the change is undertaken. Revisions not affecting water quality, capacity, flow, sanitary features, or performance may be permitted during construction without further approval if record drawings documenting these changes, prepared by a professional engineer registered in the state of Arizona, are submitted to the Department, pursuant to A.A.C. R18-4-508.
4. Notice shall be given to the Northern Regional Office (NRO) in Flagstaff (1-877-602-3675) and to County P&Z Department when construction of the project begins to allow for inspection during construction per A.R.S. § 49-104(B)(10).

Contact Mr. Kent Haugerud x 2711 at least seven days prior to the start of construction, and again at least ten day before the end of construction.

5. Operation of a newly constructed facility shall not begin until an Approval of Construction (AOC) is issued by the Department per A.A.C. R18-4-507(A). Failure to comply with A.A.C. R18-4-507(A) will result in a Notice of Violation (NOV).
6. The following requirements shall be met before an AOC will be issued by the Department on a newly constructed public water system, an extension to an existing public water system, or any alterations of an existing public water system which affects its treatment, capacity, water quality, flow, distribution, or operational performance [R18-4-507(B)]:
 - A. A professional engineer, registered in the state of Arizona, or a person under the direct supervision thereof, shall complete a final inspection and submit a Certificate of Completion on a form approved by the Department to which the seal and signature of the registrant have been affixed;
 - B. The construction conforms to approved plans and specifications, as indicated in the Certificate of Completion, and all changes have been documented by the submission of record drawings, pursuant to R18-4-508;
 - C. An operations and maintenance manual has been submitted and approved by the Department if construction includes a new water treatment facility; and
 - D. An operator, who is certified by the Department at a grade appropriate for each facility, is employed to operate each water treatment plant and the potable water distribution system.

After receipt of the items outlined above, NRO will review the file and, if in order, will issue an Approval of Construction (AOC).

7. A minimum pressure of 20 psi shall be provided at all points in the distribution lines at all times.
8. All materials and products that come into contact with drinking water or drinking water treatment chemicals must comply with NSF Standard 61. Any "or equal" substitution shall also meet NSF Standard 61. Materials which do not meet NSF Standard 61 may be considered if they otherwise comply with A.R.S. § 49-353.01.
9. Backflow prevention shall be provided in accordance with R18-4-115 and/or local ordinances.
10. The open end of each air relief pipe from automatic valves shall extend at least one foot above grade and shall incorporate pipe elbows to cause the opening, permanently covered with #16 mesh screen, to face downward.
11. This certificate voids and supersedes all previous "Approvals to Construct" issued previously for this file number.
12. Water line sewer line separation shall meet A.A.C. R18-4-502. The separation requirements of A.A.C. R18-4-502 shall extend to all water line services and sewer line services within the right-of-way. Separation of water and sewer line on individual private property shall meet the requirements of the Uniform Plumbing Code.
13. Construction material used in a public water system, including residential and non-residential facilities connected to the public water system, shall be lead free as defined at R18-4-101(46).

Special Provisions

1. **All mains shall be disinfected per Bulletin 8 (Disinfection of Water Systems) or AWWA C651-92 (Disinfecting Water Mains)**

End of Provisions

COMPANY NAME

Ash Fork Development Association, Inc.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 2,961	\$ 35,078
134	Working Funds	139,053	126,499
135	Temporary Cash Investments		
141	Customer Accounts Receivable	18,151	18,250
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments	3,978	4,073
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 164,143	\$ 183,900
	FIXED ASSETS		
101	Utility Plant in Service	\$1,031,590	\$ 1,562,939
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	586,931	622,556
121	Non-Utility Property	32,740	32,740
122	Accumulated Depreciation – Non Utility	28,498	30,187
	TOTAL FIXED ASSETS	\$ 448,901	\$ 942,936
	TOTAL ASSETS	\$ 613,044	\$ 1,126,836

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 2,014	\$ 5,899
232	Notes Payable (Current Portion)	10,848	11,433
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	11,000	17,279
236	Accrued Taxes	2,745	2,853
237	Accrued Interest		7,090
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 26,607	\$ 44,554
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 166,163	\$ 587,145
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ 192,770	\$ 631,699
	CAPITAL ACCOUNTS		
201	Prior Period Adjustment	\$	\$ 7,308
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(35,311)	32,245
218	Proprietary Capital (Sole Props and Partnerships)	455,586	455,586
	TOTAL CAPITAL	\$ 420,275	\$ 495,139
		(1)	(2)
	TOTAL LIABILITIES AND CAPITAL	\$ 613,044	\$ 1,126,836

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 202,338	\$ 240,470
460	Unmetered Water Revenue	5,371	2,240
474	Other Water Revenues	1,039	
	TOTAL REVENUES	\$ 208,748	\$ 242,710
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 53,558	\$ 55,531
610	Purchased Water		
615	Purchased Power	18,711	17,940
618	Chemicals	198	
620	Repairs and Maintenance	16,866	20,086
621	Office Supplies and Expense	1,209	1,453
630	Outside Services	22,622	5,148
635	Water Testing	1,490	1,032
641	Rents	1,545	3,231
650	Transportation Expenses	423	1,125
657	Insurance – General Liability	7,172	7,735
659	Insurance - Health and Life		700
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	6,211	4,296
403	Depreciation Expense	38,427	37,314
408	Taxes Other Than Income	9,491	7,295
408.11	Property Taxes	12,350	12,304
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 190,273	\$ 175,190
	OPERATING INCOME/(LOSS)	\$ 18,475	\$ 67,250
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 5,802	\$ 3,480
421	Non-Utility Income	1,286	13,169
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	10,237	16,343
	TOTAL OTHER INCOME/(EXPENSE)	\$ (3,149)	\$ 36
	NET INCOME/(LOSS)	\$ 15,327	\$ 67,556